

The Myths Behind Outsourcing

As businesses search for new ways to offset the negative effects of today's economic challenges, the question of outsourcing production functions versus handling them in-house is a common and important one that should be considered carefully.

For many companies, the idea of in-house set-up and management for processes like printing, data processing, production and mailing, can sound intimidating and overwhelming. Management often assumes that it would be too expensive to purchase the equipment and maintain the staffing and training needed to make in-house invoicing, statement processing or marketing production processes a viable option.

Technology Has Made In-House Processes Simple

Is it really too expensive and difficult to manage statement or direct mail print production in-house? Actually, today's technology has not only made it affordable to print and mail in-house, it's made the process simple—with greater capabilities at your fingertips. Most equipment and technology is user-friendly and can be mastered by anyone in the office—so, there's no need to "staff-up".

There is a variety of printing and production equipment and technology available to accommodate almost every size and type of business, and most providers also offer excellent support to help their clients choose the right equipment to maximize their productivity.

On Demand Control

With the right in-house solutions in place, a business that once paid vendors to complete its statement processing or marketing campaigns can now print and mail almost any type of customer communication imaginable, virtually on demand, at a fraction of the cost. Efficient in-house production capabilities can give marketers a level of control and flexibility that third-party vendors often can't provide.

The Hidden Costs of Outsourcing

When companies analyze the costs over time, they often find it more cost effective to manage ongoing printing, production and mailing in-house. Print and production vendors not only charge for their services and mark up the cost of labor and materials, they also charge a marked-up fee every time they scrub and update your list.

Businesses that control their print production and mailing processes:	Third-party vendors:
Are more invested in the success of the campaign because it is their own.	Are less invested because they are serving multiple clients and managing many jobs.
Make their own schedules and prioritize production based on their own best interest.	Schedule based on equipment availability, their own profitability and other factors.
Can save on mailing and postage with barcoding, pre-sorting and list hygiene.	May not actively seek the most cost effective mailing and postage options and may not pass postal savings on to clients.
Pay no mark-ups and processing fees.	Charge mark-ups and processing fees for multiple production and mailing processes.
Can produce and mail the same day.	Take days and even weeks to process data, print, fold, insert and ship to be mailed.
Can produce and mail large or small mail campaigns for about the same per piece costs.	Charge higher cost per piece on smaller volume production runs.

Consider Going In-House

There was a time when printing and mailing in-house was not a reasonable option for many companies. However, the equipment and resources currently available are so efficient and easy to operate that every business should research the possibility of adopting an in-house strategy.

There are several business service companies in the market that are experts at helping businesses bring outsourced services in-house. A quality business service provider will begin with a no-cost benefit analysis to help your organization determine if bringing processes in-house is the right choice—before ever making a decision or purchasing a piece of equipment. It's more than obtaining new equipment—it's about evaluating what you currently have and determining what to upgrade or downgrade. Leasing options are available to keep costs to a minimum and to help defray the issues of capital investments when cash can be tight.

At a time when increased productivity and reduced expenses are top priorities, bringing highly-automated, data-driven digital solutions in-house represents an ideal opportunity. A small investment in the purchase or lease of equipment and some user-friendly software can give a business the same data processing and production power as most vendors—but without the cost, time delays and lack of control.